UNITED STATES DISTRICT COURT DISTRICT OF SOUTH DAKOTA SOUTHERN DIVISION

Western on Main, L.L.C., a South Dakota limited liability company, Crafty Fox, L.L.C., a South Dakota limited liability company, Janice J. Christensen, and Ronald W. Christensen,

Plaintiffs,

VS.

City of Mitchell, a South Dakota municipal corporation, and Mitchell Area Development Corporation, a South Dakota nonprofit corporation,

Defendants.

Case Number to be Assigned 19 -4187

COMPLAINT

Jury Trial Requested

Comes now Plaintiffs, Western on Main, L.L.C., a South Dakota limited liability company, Crafty Fox, L.L.C., a South Dakota limited liability company, Janice J. Christensen, and Ronald W. Christensen, who for their Complaint against Defendants, state and allege as follows:

JURISDICTION, VENUE & PARTIES

1. This is an action for damages pursuant to 42 U.S.C. § 1985(3) and 42 U.S.C. § 1983 based upon violations of Plaintiffs' rights under the Fifth and Fourteenth Amendments to the United States Constitution. Jurisdiction exists pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1343 based upon 42 U.S.C. § 1985(3) and 42 U.S.C. § 1983. Supplemental jurisdiction over Plaintiffs' state law claims is pursuant to 28 U.S.C. § 1367, as said

- claims form part of the same case and controversy pursuant to Article III of the United States Constitution.
- 2. Venue is proper in the District of South Dakota pursuant to 28 U.S.C. § 1391(b).
- 3. Defendant City of Mitchell, is a South Dakota municipal corporation, organized under the laws of South Dakota, and situated in the State of South Dakota.
- 4. Defendant Mitchell Area Development Corporation, is a South Dakota nonprofit corporation, organized under the laws of South Dakota, with its principle place of business located in Mitchell, South Dakota.
- 5. Plaintiff Western on Main, L.L.C., is a South Dakota limited liability company, organized under the laws of South Dakota, with its principle place of business located in Mitchell South Dakota. L.L.C. membership of Western on Main, L.L.C., is comprised entirely of Plaintiff Janice J. Christensen and Plaintiff Ronald W. Christensen.
- 6. Plaintiff Crafty Fox, L.L.C., is a South Dakota limited liability company, organized under the laws of South Dakota, with its principle place of business located in Mitchell, South Dakota. L.L.C. membership of Crafty Fox, L.L.C., is comprised entirely of Plaintiff Janice J. Christensen and Plaintiff Ronald W. Christensen.
- 7. Plaintiff Janice J. Christensen is a natural person, and a resident of Mitchell, South Dakota.
- 8. Plaintiff Ronald W. Christensen is a natural person, and a resident of Mitchell, South Dakota.

FACTUAL ALLEGATIONS

9. Plaintiff Western on Main, L.L.C., is the former owner of certain real property, and the improvements thereupon, legally identified as:

- Lot 1 and Lot 2, Block 8, Original Town (now city) of Mitchell, Davison County, South Dakota.
- 10. Plaintiff Crafty Fox, L.L.C., formerly operated a local arts and crafts store, located upon the above identified real property formerly owned by Plaintiff Western on Main, L.L.C.
- 11. The aforementioned former local arts and crafts store was operated out of the first floor of a historic 111-year old building (hereinafter, "the building"), situated upon the above identified real property formerly owned by Plaintiff Western on Main, L.L.C.
- 12. The aforementioned former local arts and crafts store was managed by, and the day to day operations of same were run by, Plaintiff Janice J. Christensen.
- 13. Plaintiff Ronald W. Christensen was also involved in the operation of the former local arts and crafts store.
- 14. Both Plaintiffs Janice J. Christensen and Ronald W. Christensen were well known in the Downtown Mitchell Business Community, as was the former local arts and crafts store.
- 15. The Downtown Mitchell Business Community consists of several locally owned small businesses, many of which are located in, and conduct their business out of, older buildings of similar age and condition as that of the building in which the former local arts and crafts store was located.
- 16. The real property formerly owned by Plaintiff Western on Main, L.L.C., has a currently assessed value of One Hundred Seventy Thousand Two Hundred Ninety Dollars (\$170,290.00) per the Davison County Director of Equalization Office.
- 17. On or about March 19, 2019, Defendant City of Mitchell filed a "nuisance enforcement" action in Davison County Magistrate Court against Plaintiff Western on Main, L.L.C.

- 18. The aforementioned "nuisance enforcement" action filed in Magistrate Court alleged that the condition of the roof and windows of the building constituted a "public nuisance", and threatened Plaintiff Western on Main, L.L.C., with possible arrest, fines, and jailtime.
- 19. Western on Main, L.L.C., is a small, closely held, two member, limited liability company, with said membership being completely comprised of Plaintiff Janice J. Christensen and Plaintiff Ronald W. Christensen.
- 20. While not directly named as parties in the above referenced "nuisance enforcement" action filed in Magistrate Court, said action had the effect of placing both Plaintiff Janice J. Christensen and Plaintiff Ronald W. Christensen in fear of potential arrest, jailtime, and fines, due to the above-described status of Western on Main, L.L.C., as a small, closely held, two member, limited liability company, with said membership being completely comprised of Plaintiff Janice J. Christensen and Plaintiff Ronald W. Christensen.
- 21. Despite the filing of the above referenced "nuisance enforcement" action in Magistrate

 Court by City, the actual condition of the roof and windows of the building, as well as the

 overall condition of the building itself as a whole, was not in fact substantially worse

 than, and in many instances was noticeably better than, the overall condition of many of

 the other nearby buildings in the Downtown Mitchell Business Community.
- 22. Upon information and belief, the aforementioned "nuisance enforcement" action was brought for the improper purpose of harassing and intimidating Plaintiff Janice J. Christensen, and Plaintiff Ronald W. Christensen, who, as stated above, collectively owned the entirety of the controlling membership interest in Western on Main, L.L.C.

- 23. Upon information and belief, the aforementioned "nuisance enforcement" action was brought without any actual intent on the part of City to fine or jail either Plaintiff Western on Main, L.L.C., Plaintiff Janice J. Christensen, or Plaintiff Ronald W. Christensen.
- 24. Upon information and belief, the aforementioned "nuisance enforcement" action was merely a ruse designed by Defendant City in order to coerce Plaintiff Western on Main, L.L.C., to surrender ownership of the building to Defendant City for inadequate, insufficient, and merely nominal consideration.
- 25. Defendant City did in fact, shortly after filing the aforementioned "nuisance enforcement" action, offer to buy the building from Western on Main, L.L.C., for the sum of One Dollar (\$1.00).
- 26. City was most certainly aware of the actual assessed value of the building when this offer to purchase the building for One Dollar (\$1.00) was made, yet justified making such a low offer by making said offer in concert with an offer to also agree to the dismissal of the "nuisance enforcement" action then currently pending in Magistrate Court.
- 27. Resultingly, said offer by Defendant City to purchase the building for One Dollar (\$1.00) was coercive in nature, as opposed to representing a bargained for exchange for good and valuable consideration, and was resultingly more accurately described as an attempted regulatory taking.
- 28. Fearing the potential of jailtime, Plaintiff Janice J. Christensen and Plaintiff Ronald W. Christensen, in their capacity as owners of the controlling membership interest in Western on Main, L.L.C., agreed to sell the building to Defendant City for the for the sum of One Dollar (\$1.00).

- 29. As the result of the loss of its business location, and the unavailability of any suitable alternate business site locations, Crafty Fox, L.L.C., was forced to liquidate its inventory and discontinue operating the aforementioned local arts and crafts store.
- 30. Almost immediately after obtaining title to the building from Western on Main, L.L.C., Defendant City publicly announced its intention to transfer ownership of the building to Defendant Mitchell Area Development Corporation, as well as to gift the Mitchell Area Development Corporation the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) ostensibly for the purpose of completing repairs to the building conditions that were previously cited as the underpinning reasoning for the prior "nuisance enforcement" action brought against Plaintiff Western on Main, L.L.C.
- 31. Upon information and belief, Defendant City's plan the entire time during the above described sequence of events was to obtain title to the building, by any means necessary, in order to transfer ownership of the building to Defendant Mitchell Area Development Corporation, and to justify gifting Defendant Mitchell Area Development Corporation the sum of One Hundred Fifty Thousand Dollars (\$150,000.00).

COUNT ONE - CONSPIRACY TO INTERFERE WITH CIVIL RIGHTS (AS AGAINST CITY OF MITCHELL AND MITCHELL AREA DEVELOPMENT CORPORATION)

- 32. Plaintiffs reallege and incorporate the allegations set forth in the preceding paragraphs as if fully set forth again herein.
- 33. Defendant City of Mitchell and Defendant Mitchell Area Development Corporation conspired with each other for the purposes of obtaining ownership of the building, thereby depriving Plaintiff Janice J. Christensen ownership of the building vis-à-vis her membership interest in Western on Main, L.L.C.

- 34. Defendant City of Mitchell and Defendant Mitchell Area Development Corporation, did in fact, as a result of the above described conspiracy, deprive Plaintiff Janice J. Christensen her ownership interest in the building.
- 35. The right to own property is a right guaranteed to all citizens of the United States via the Fifth Amendment to the Constitution of the United States, and is applicable to the States via the Fourteenth Amendment to the Constitution of the United States.
- 36. Plaintiff Janice J. Christensen, as a female small business owner operator, is a member of a protected class that was denied a right and privilege guaranteed to all citizens of the United States via the actions of Defendant City of Mitchell and Defendant Mitchell Area Development Corporation, as conspirators.
- 37. Plaintiff Janice J. Christenson, did in fact suffer a cognizable legal injury as a direct result of the actions of Defendant City of Mitchell and Defendant Mitchell Area Development Corporation, as conspirators, with said cognizable legal injury being the loss of her ownership interest in the building vis-à-vis her membership interest in Western on Main, L.L.C.

COUNT TWO – INTERFERENCE WITH CIVIL RIGHTS (AS AGAINST CITY OF MITCHELL)

- 38. Plaintiffs reallege and incorporate the allegations set forth in the preceding paragraphs as if fully set forth again herein.
- 39. Defendant City of Mitchell acted under color of both state and local law during the entirety of the events set forth herein.
- 40. The result of Defendant City of Mitchell's actions as described herein had the result of depriving Plaintiffs Janice J. Christensen and Ronald W. Christensen, and Western on

- Main, L.L.C., of their ownership of the building vis-à-vis their membership interest in Western on Main, L.L.C.
- 41. The right to own property is a right guaranteed to all citizens of the United States via the Fifth Amendment to the Constitution of the United States, and is applicable to the States via the Fourteenth Amendment to the Constitution of the United States.
- 42. Plaintiffs Janice J. Christenson and Ronald W. Christensen, did in fact suffer a cognizable legal injury as a direct result of the actions of Defendant City of Mitchell, with said cognizable legal injury being the loss of her their ownership interest in the building vis-à-vis their membership interest in Western on Main, L.L.C.

COUNT THREE – INVERSE CONDEMNATION (AS AGAINST CITY OF MITCHELL)

- 43. Plaintiffs reallege and incorporate the allegations set forth in the preceding paragraphs as if fully set forth again herein.
- 44. The Fifth Amendment of the Constitution of the United States, as applicable to the States via the Fourteenth Amendment to the United States, guarantees that no property shall be taken from a private property owner for a public purpose without the payment of "just compensation" to said property owner.
- 45. Article VI, Section 13 of the South Dakota Constitution also provides that private property shall not be taken for public use, or damaged, without the payment of "just compensation".
- 46. The City of Mitchell, via their "nuisance enforcement action" and the threats of possible arrest, fines, and jailtime, obtained title to the building without the payment of "just compensation" to the owner, as it is plainly obvious that the payment of One Dollar

- (\$1.00) as compensation for a building currently assessed at a value of One Hundred Seventy Thousand Two Hundred Ninety Dollars (\$170,290.00) is not "just compensation", and said amount was in fact merely nominal and token consideration.
- 47. The stated purpose of the Mitchell Area Development Corporation is to "further the economic development of the Mitchell community and its environs".
- 48. As the stated purpose of the Mitchell Area Development Corporation targets the entire "Mitchell community and its environs", the actual purpose of the Mitchell Area Development Corporation is properly viewed as a "public purpose" as contemplated by both the Fifth Amendment of the Constitution of the United States, as applicable to the States via the Fourteenth Amendment to the United States Constitution, and Article VI, Section 13 of the South Dakota, constitutions.
- 49. As Defendant City of Mitchell was planning the entire time to transfer ownership of the building to Defendant Mitchell Area Development Corporation, and the stated purpose of the Mitchell Area Development Corporation is properly viewed as a "public purpose", Defendant City of Mitchell did indeed take property from a private owner, for a public purpose, and in doing so failed to pay the property owner "just compensation", in violation of both the United States Constitution and the South Dakota Constitution.

COUNT FOUR – FORCIBLE EXCLUSION FROM REAL PROPERTY (AS AGAINST CITY OF MITCHELL)

50. Plaintiffs reallege and incorporate the allegations set forth in the preceding paragraphs as if fully set forth again herein.

- 51. South Dakota Law, pursuant to SDCL 21-3-6, authorizes the award of treble damages for any instance where any property owner is forcibly ejected or excluded from the possession of real property.
- 52. Defendant City of Mitchell, via their actions as outlined above, effectively both forced and ejected Plaintiffs from real property, of which they had the right to both occupy and possess, under the threat of arrest and jailtime pursuant to the "nuisance enforcement action" then pending in Magistrate Court.

COUNT FIVE - STATUTORY NUISANCE (AS AGAINST CITY OF MITCHELL)

- 53. Plaintiffs reallege and incorporate the allegations set forth in the preceding paragraphs as if fully set forth again herein.
- 54. South Dakota Law, pursuant to SDCL 21-10-1(4) recognizes that unlawfully doing an act, or omitting to perform a duty, which act or omission "in any way renders other persons insecure in life, or in the use of property" constitutes a nuisance.
- 55. Defendant City of Mitchell's actions, as outlined above, had the effect of rendering the individual non-entity Plaintiffs insecure in life via the prospect of losing their freedom due to jail time as well as all Plaintiffs insecure in their use of property and indeed these actions as outlined above had the ultimate effect of not only rendering Plaintiffs insecure in their use of said property, but also ultimately denying Plaintiffs of their ownership interests in said property.
- 56. Defendant City of Mitchell's actions, as outlined above, were unlawful in that they were part of a conspiracy with the Defendant Mitchell Area Development Corporation to interfere with Plaintiff Janice J. Christensen's civil rights, as well as constituted an

unlawful taking of Plaintiffs' real property without the payment of just compensation, in violation of both the Fifth Amendment of the United States Constitution as applied to the states via the Fourteenth Amendment to the United States Constitution, as well as Article VI, Section 13 of the South Dakota Constitution

COUNT SIX – TORTIOUS INTERFERENCE WITH BUSINESS EXPECTANCY (AS AGAINST CITY OF MITCHELL AND MITCHELL AREA DEVELOPMENT CORPORATION)

- 57. Plaintiffs reallege and incorporate the allegations set forth in the preceding paragraphs as if fully set forth again herein.
- 58. Plaintiffs had a valid business expectation in the continued existence of, and continued revenue stream therefrom, the former local arts and crafts store located on the first floor of the building.
- 59. Defendants were aware of Plaintiffs' existing and valid business expectation when they undertook the actions outlined above.
- 60. Said actions were taken intentionally, and resulted in unjustified interference with, and the eventual forced liquidation and cessation of business operations, of the aforementioned local arts and crafts store, thereby damaging Plaintiffs' reasonable and valid business expectation of the continued existence of, and continued revenue stream therefrom, the former local arts and crafts store.

COUNT SEVEN – EMOTIONAL DISTRESS

(AS AGAINST CITY OF MITCHELL AND MITCHELL AREA DEVELOPMENT CORPORATION)

61. Plaintiffs reallege and incorporate the allegations set forth in the preceding paragraphs as if fully set forth again herein.

- 62. The actions taken by Defendants, as outlined above, specifically those that caused the loss of Plaintiffs' real property, and Plaintiffs' business, have resulted in emotional distress on the part of the individual, non-entity Plaintiffs.
- 63. Said actions taken by Defendants, as outlined above, were at best negligent with respect to the emotional state of the individual, non-entity Plaintiffs, and at worst constituted reckless or intentional conduct on the part of Defendants with respect to the emotional state of the individual, non-entity Plaintiffs.

WHEREFORE, Plaintiffs request the following:

- A. Pursuant to COUNT ONE, COUNT TWO, and COUNT THREE, an award of damages, appropriately apportioned between both Defendants, equivalent to either the amount of the current assessed value of the building One Hundred Seventy Thousand Two Hundred Ninety Dollars (\$170,290.00) minus the One Dollar (\$1.00) in actual compensation paid by Defendant City, or such sum otherwise proved at trial to be the fair market value of the building.
- B. Pursuant to COUNT FOUR, an additional award of damages, appropriately apportioned between both Defendants, equivalent to TWO TIMES (2X) the amount awarded under COUNTS ONE, COUNT TWO, and COUNT THREE, such as is necessary to bring the total award for COUNTS ONE, TWO, THREE, and FOUR to an amount commensurate with the treble damages portion of SDCL 21-3-6.
- C. Pursuant to COUNT FIVE, an amount to be determined at trial, appropriately apportioned between both Defendants, sufficient to compensate Plaintiffs for the

- insecurity felt by them in both their life and use of their property, as a result of the above enumerated actions of both Defendants.
- D. Pursuant to COUNT SIX, an amount to be determined at trial, appropriately apportioned between both Defendants, sufficient to compensate Plaintiffs for their reasonably expected continued profits of the former local arts and crafts store.
- E. Pursuant to COUNT SEVEN, an amount to be determined at trial, appropriately apportioned between both Defendants, sufficient to compensate the individual non-entity Plaintiffs for the emotion distress endured as a direct result of the actions of both Defendants.
- F. Any and all prejudgment interest, costs, and attorney fees as allowed by law; and
- G. Any such other and further relief as the Court deems just and equitable in the premises.

Dated this <u>13</u> day of November, 2019.

James D. Taylor

South Dakota Bar/Number: 1692

James D. Taylor, P.C.

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Attorneys for Plaintiffs

JS 44 (Rev. 09/19)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS Western on Main, L.L.C.	Crafty Foy I.I.C. la	unice I Christensen		DEFENDANTS City of Mitchell, Mitchell Area Development Corporation		
Ronald W. Christensen			lu librario combina di care			
(b) County of Residence (E.	of First Listed Plaintiff <u>L</u> XCEPT IN U.S. PLAINTIFF CA	Davison 4SES)	County of Residence of First Listed Defendant Davison (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.			
(c) Attorneys (Firm Name,	Address, and Telephone Numbe	er)	Attorneys (If Known)			
James D. Taylor, P.C., 5 605-996-3882	20 N. Lawler, Mitchell,	SD 57301	Unknown.			
II. BASIS OF JURISD	ICTION (Place an "X" in C	One Box Only)		RINCIPAL PARTIES	(Place an "X" in One Box for Plaintiff	
☐ 1 U.S. Government			TF DEF 1			
Defendant Defendant		Citizen of Another State 2 2 Incorporated and Principal Place 5 5 5 of Business In Another State				
			Citizen or Subject of a Foreign Country	3 🗇 3 Foreign Nation	06 06	
IV. NATURE OF SUIT		nly) DRTS	FORFEITURE/PENALTY	Click here for: Nature BANKRUPTCY	of Suit Code Descriptions. OTHER STATUTES	
☐ 110 Insurance	PERSONAL INJURY	PERSONAL INJURY	☐ 625 Drug Related Seizure	☐ 422 Appeal 28 USC 158	☐ 375 False Claims Act	
☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument ☐ 150 Recovery of Overpayment & Enforcement of Judgment ☐ 151 Medicare Act ☐ 152 Recovery of Defaulted Student Loans	□ 310 Airplane □ 365 Personal Injury - □ 315 Airplane Product Liability □ 367 Health Care/ □ 320 Assault, Libel & Pharmaceutical	of Property 21 USC 881	423 Withdrawal 28 USC 157 PROPERTY RIGHTS	☐ 376 Qui Tam (31 USC 3729(a)) ☐ 400 State Reapportionment ☐ 410 Antitrust		
		Personal Injury Product Liability 368 Asbestos Personal		☐ 820 Copyrights ☐ 830 Patent ☐ 835 Patent - Abbreviated New Drug Application	430 Banks and Banking450 Commerce460 Deportation	
(Excludes Veterans) ☐ 153 Recovery of Overpayment	☐ 345 Marine Product Liability	Liability PERSONAL PROPERT	Y LABOR	☐ 840 Trademark SOCIAL SECURITY	Corrupt Organizations 480 Consumer Credit	
of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise	□ 350 Motor Vehicle □ 355 Motor Vehicle Product Liability □ 360 Other Personal Injury □ 362 Personal Injury - Medical Malpractice	□ 370 Other Fraud □ 371 Truth in Lending y □ 380 Other Personal Property Damage □ 385 Property Damage Product Liability	☐ 710 Fair Labor Standards Act ☐ 720 Labor/Management Relations ☐ 740 Railway Labor Act ☐ 751 Family and Medical Leave Act	861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g))	A (1395ff) ack Lung (923) WC/DIWW (405(g)) ID Title XVI (15 USC 1681 or 1692) 485 Telephone Consumer Protection Act 490 Cable/Sat TV	
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	The Control of the Co	FEDERAL TAX SUITS	891 Agricultural Acts	
☐ 210 Land Condemnation ☐ 220 Foreclosure ☐ 230 Rent Lease & Ejectment ☐ 240 Torts to Land ☐ 245 Tort Product Liability ☐ 290 All Other Real Property	★ 440 Other Civil Rights 441 Voting 442 Employment 443 Housing/ Accommodations 445 Amer. w/Disabilities - Employment 446 Amer. w/Disabilities - Other 448 Education	Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty Other: 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee - Conditions of Confinement	791 Employee Retirement Income Security Act	□ 870 Taxes (U.S. Plaintiff or Defendant) □ 871 IRS—Third Party 26 USC 7609	□ 893 Environmental Matters □ 895 Freedom of Information Act □ 896 Arbitration □ 899 Administrative Procedure Act/Review or Appeal of Agency Decision □ 950 Constitutionality of State Statutes	
			IMMIGRATION □ 462 Naturalization Application □ 465 Other Immigration Actions			
	moved from 3 ate Court	Appellate Court	(specify)	r District Litigation Transfer		
VI. CAUSE OF ACTIO	Brief description of ca	mse.	filing (Do not cite jurisdictional stat 3 interference with civil righ		n & related state claims	
VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.			DEMAND \$ 510,867.00	DEMAND S CHECK YES only if demanded in complaint:		
VIII. RELATED CASI IF ANY	E(S) (See instructions):	JUDGE n/a		DOCKET NUMBER n/	a	
DATE II 1312	019	SIGNATURE OF ATTO	ORNEY OF RECORD	Dal		
FOR OFFICE USE ONLY						
RECEIPT # A!	MOUNT	APPLYING IFP	JUDGE	MAG. JUI	OGE	